



QUARTERLY STATEMENT

AS OF JUNE 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

Priority Health

NAIC Group Code	3383	3383	NAIC Company Code	95561	Employer's ID Number	38-2715520
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Hospital, Medical & Dental Service or Indemnity []	
	Dental Service Corporation []		Vision Service Corporation []		Health Maintenance Organization [X]	
	Other []		Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated/Organized	03/07/1986		Commenced Business	10/15/1986		
Statutory Home Office	1231 East Beltline NE			Grand Rapids, MI 49525-4501		
	(Street and Number)			(City, State and Zip Code)		
Main Administrative Office	1231 East Beltline NE		Grand Rapids, MI 49525-4501		616-942-0954	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1231 East Beltline NE		Grand Rapids, MI 49525-4501			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	1231 East Beltline NE		Grand Rapids, MI 49525-4501		616-464-8926	
	(Street and Number)		(City, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.priority-health.com					
Statutory Statement Contact	Kristy Lynn Shoemaker			616-464-8926		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	kristy.shoemaker@priority-health.com			616-942-7916		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Kimberly K Horn	President / Chief Executive Officer	Mary Anne Jones #	Interim Treasurer
Kimberly L Thomas	Secretary		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Dennis Aloia	Craig H Bethune	Richard C Breon	Georgia R Fojtasek
Michael P Freed	Rajesh Kothari	Lynn Liddle	Peter B Lundeen
Christina MacInnes	Edward M Millermaier	Ed Ness #	Kathleen S Ponitz
Robert W Roth	Paul Saginaw	Thomas G Schwaderer	Dale M Sowders
James J Stephanak	Gary Timmer #	Jody D Vanderwel	Wendy Walker #
Samuel Wanner			

State of Michigan
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kimberly K Horn President / Chief Executive Officer	Mary Anne Jones Interim Treasurer	Kimberly L Thomas Secretary
a. Is this an original filing? Yes [X] No []		
b. If no,		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

Subscribed and sworn to before me this day of August, 2011

Catherine H Sochanek, Executive Administrative Assistant
05/12/2016

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	117,116,197		117,116,197	115,227,655
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	98,753,839	1	98,753,838	97,684,772
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	1,205,909	1,205,909	0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (13,694,703)), cash equivalents (\$0) and short-term investments (\$205,541,854)	191,847,151		191,847,151	174,427,511
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	408,923,096	1,205,910	407,717,186	387,339,938
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	3,556,673		3,556,673	2,469,212
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	33,929,301	277,297	33,652,004	15,517,993
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums	4,496,492		4,496,492	2,358,142
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$0)	18,534,629	18,534,629	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	1,432,401	348	1,432,053	10,497,693
24. Health care (\$6,611,623) and other amounts receivable	12,291,445	1,531,756	10,759,689	7,054,332
25. Aggregate write-ins for other than invested assets	1,072,857	1,072,857	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	484,236,894	22,622,797	461,614,097	425,237,310
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	484,236,894	22,622,797	461,614,097	425,237,310
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Goodwill	1,050,000	1,050,000	0	0
2502. Prepaid expenses	22,857	22,857	0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	1,072,857	1,072,857	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	118,495,326	10,588,053	129,083,379	128,605,228
2. Accrued medical incentive pool and bonus amounts	22,762,044		22,762,044	27,462,429
3. Unpaid claims adjustment expenses	2,163,491	241,115	2,404,606	2,386,647
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	18,636,314		18,636,314	11,972,775
9. General expenses due or accrued	8,436,731		8,436,731	6,104,573
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	127,501		127,501	156,734
13. Remittances and items not allocated	2,623,669		2,623,669	1,753,188
14. Borrowed money (including \$0 current) and interest thereon \$331 (including \$331 current)	10,000,331		10,000,331	10,002,469
15. Amounts due to parent, subsidiaries and affiliates	35,495,878		35,495,878	29,474,942
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	2,116,239		2,116,239	3,198,419
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	220,857,524	10,829,168	231,686,692	221,117,404
25. Aggregate write-ins for special surplus funds	XXX	XXX	1,000,000	1,000,000
26. Common capital stock	XXX	XXX	8,524	8,524
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	35,821,002	35,821,002
29. Surplus notes	XXX	XXX	30,039,572	30,039,572
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	163,058,307	137,250,808
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26) \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27) \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	229,927,405	204,119,906
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	461,614,097	425,237,310
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. Appropriated Retained Earnings	XXX	XXX	1,000,000	1,000,000
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	1,000,000	1,000,000
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	2,603,430	2,497,340	5,055,349
2. Net premium income (including \$0 non-health premium income).....	XXX	926,529,219	810,054,324	1,653,567,234
3. Change in unearned premium reserves and reserve for rate credits	XXX		.0	.0
4. Fee-for-service (net of \$ medical expenses)	XXX		.0	.0
5. Risk revenue	XXX		.0	.0
6. Aggregate write-ins for other health care related revenues	XXX	374,467	374,313	624,322
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	926,903,686	810,428,637	1,654,191,556
Hospital and Medical:				
9. Hospital/medical benefits		606,857,426	545,996,690	1,127,531,998
10. Other professional services		526,028	349,625	801,732
11. Outside referrals		20,633,080	19,152,863	40,936,382
12. Emergency room and out-of-area		25,843,499	20,481,767	47,139,274
13. Prescription drugs		155,911,754	140,564,857	289,551,037
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		18,197,231	15,176,061	28,601,619
16. Subtotal (Lines 9 to 15) .....	.0	827,969,018	741,721,863	1,534,562,042
Less:				
17. Net reinsurance recoveries .....		.0	130,463	131,594
18. Total hospital and medical (Lines 16 minus 17) .....	.0	827,969,018	741,591,400	1,534,430,448
19. Non-health claims (net).....			.0	.0
20. Claims adjustment expenses, including \$ 9,668,107 .....cost containment expenses.....		22,021,800	22,128,147	43,679,933
21. General administrative expenses.....		52,908,545	50,547,014	99,978,445
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			.0	.0
23. Total underwriting deductions (Lines 18 through 22) .....	.0	902,899,363	814,266,561	1,678,088,826
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	24,004,323	(3,837,924)	(23,897,270)
25. Net investment income earned		1,094,264	2,052,042	11,412,382
26. Net realized capital gains (losses) less capital gains tax of \$.....0		1,484,953	352,704	2,295,881
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	2,579,217	2,404,746	13,708,263
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ ..... ) .....			.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	1,630,711	1,486,286	3,026,820
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	28,214,251	53,108	(7,162,187)
31. Federal and foreign income taxes incurred	XXX		.0	.0
32. Net income (loss) (Lines 30 minus 31)	XXX	28,214,251	53,108	(7,162,187)
DETAILS OF WRITE-INS				
0601. Wellness Program Revenue.....	XXX	374,467	374,313	624,322
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	374,467	374,313	624,322
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Management Fee Revenue.....		1,630,711	1,486,286	3,026,820
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	1,630,711	1,486,286	3,026,820

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL & SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	204,119,903	234,906,296	234,906,296
34. Net income or (loss) from Line 32.....	28,214,251	53,108	(7,162,187)
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(2,446,602)	(9,233,656)	(17,110,424)
37. Change in net unrealized foreign exchange capital gain or (loss).....		0	0
38. Change in net deferred income tax.....		0	0
39. Change in nonadmitted assets.....	39,853	(932,810)	(2,713,782)
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	(3,800,000)	(3,800,000)
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....0		0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	0
47. Aggregate write-ins for gains or (losses) in surplus.....0		0	0
48. Net change in capital and surplus (Lines 34 to 47).....	25,807,502	(13,913,358)	(30,786,393)
49. Capital and surplus end of reporting period (Line 33 plus 48)	229,927,405	220,992,938	204,119,903
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....0		0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	912,854,892	797,989,288	1,642,985,558
2. Net investment income.....	319,449	2,241,853	12,069,596
3. Miscellaneous income.....	374,467	374,314	624,322
4. Total (Lines 1 to 3).....	913,548,808	800,605,455	1,655,679,476
5. Benefit and loss related payments.....	831,572,592	740,763,685	1,502,114,239
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	72,031,697	63,295,620	138,269,535
8. Dividends paid to policyholders.....		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9).....	903,604,289	804,059,305	1,640,383,774
11. Net cash from operations (Line 4 minus Line 10).....	9,944,519	(3,453,850)	15,295,702
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	26,156,124	32,438,600	84,581,833
12.2 Stocks.....	5,730,000	0	188,370
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	4,139
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(145)	5,868	9,244
12.7 Miscellaneous proceeds.....	70,529	910,940	128,297
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	31,956,508	33,355,408	84,911,883
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	27,747,482	27,780,294	50,825,861
13.2 Stocks.....	8,370,402	14,094,223	37,270,035
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	233,727	87,069	165,235
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	1	171,594	171,593
13.7 Total investments acquired (Lines 13.1 to 13.6).....	36,351,612	42,133,180	88,432,724
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(4,395,104)	(8,777,772)	(3,520,841)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	(3,800,000)	(3,800,000)
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	(2,138)	10,001,956	10,002,469
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	11,872,363	(6,155,234)	(12,593,232)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	11,870,225	46,722	(6,390,763)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	17,419,640	(12,184,900)	5,384,098
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	174,427,511	169,043,413	169,043,413
19.2 End of period (Line 18 plus Line 19.1).....	191,847,151	156,858,513	174,427,511

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	432,079	1,549	382,707	547	.0	.0	.0	47,276	.0	.0
2 First Quarter	436,827	1,572	378,501	1,811	.0	.0	.0	54,943	.0	.0
3 Second Quarter	431,586	1,641	371,845	2,157	.0	.0	.0	55,943	.0	.0
4. Third Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Current Year .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6 Current Year Member Months	2,603,430	9,350	2,252,461	11,194	.0	.0	.0	330,425	.0	.0
Total Member Ambulatory Encounters for Period:										
7. Physician	2,241,007	7,044	1,696,906	10,358	.0	.0	.0	526,699	.0	.0
8. Non-Physician	247,329	777	187,280	1,143	.0	.0	.0	58,129	.0	.0
9. Total	2,488,336	7,821	1,884,186	11,501	.0	.0	.0	584,828	.0	.0
10. Hospital Patient Days Incurred	97,701	179	43,113	214	.0	.0	.0	54,195	.0	.0
11. Number of Inpatient Admissions	18,099	45	10,781	54	.0	.0	.0	7,219	.0	.0
12. Health Premiums Written(a)	927,410,747	3,588,411	675,286,964	1,644,604	.0	.0	.0	246,890,768	.0	.0
13. Life Premiums Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned	926,529,219	3,583,896	674,437,281	1,643,708	.0	.0	.0	246,864,334	.0	.0
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services	831,572,593	2,865,803	624,778,266	745,884	.0	.0	.0	203,182,640	.0	.0
18. Amount Incurred for Provision of Health Care Services	827,969,018	2,931,878	608,269,926	832,668	0	0	0	215,934,546	0	0

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$246,890,768

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	92,801,968	526,120,011	3,740,231	84,950,585	96,542,199	94,832,969
2. Medicare Supplement	7,351	738,533		94,135	7,351	7,351
3. Dental only					0	0
4. Vision only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	32,624,299	171,126,077	982,738	39,315,690	33,607,037	33,764,908
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	125,433,618	697,984,621	4,722,969	124,360,410	130,156,587	128,605,228
10. Healthcare receivables (a)	8,063,254	6,045,875		7,444,594	8,063,254	8,063,254
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	21,966,529	296,953	3,674,842	19,087,202	25,641,371	27,462,429
13. Totals (Lines 9-10+11+12)	139,336,893	692,235,699	8,397,811	136,003,018	147,734,704	148,004,403

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Priority Health's statutory-basis financial statements are prepared in accordance with the *Accounting Practices and Procedures Manual* published by the National Association of Insurance Commissioners.

2. Accounting Changes and Correction of Errors

No material changes from year end disclosures.

3. Business Combinations and Goodwill

No material changes from year end disclosures.

4. Discontinued Operations

No material changes from year end disclosures.

5. Investments

No material changes from year end disclosures.

6. Joint Ventures, Partnerships and Limited Liability Companies

No material changes from year end disclosures.

7. Investment Income

No material changes from year end disclosures.

8. Derivative Instruments

No material changes from year end disclosures.

9. Income Taxes

No material changes from year end disclosures.

10. Information Concerning Parent, Subsidiaries, and Affiliates

The Company made \$5,000,000 in capital contribution to its subsidiary, Priority Health Insurance Company, in 2011.

11. Debt

In 2008, the Company obtained a \$10,000,000 line of credit from its parent company, Spectrum Health, which was outstanding at June 30, 2011. The line of credit requires interest be paid in installments and matures in February 2013. This line of credit bears interest at a floating rate based on one-month LIBOR plus 85 basis points (1.19% at June 30, 2011).

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No material changes from year end disclosures.

13. Capital and Surplus, Shareholder's Dividend Restrictions, and Quasi-Reorganizations

No material changes from year end disclosures.

14. Contingencies

No material changes from year end disclosures.

15. Leases

No material changes from year end disclosures.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No material changes from year end disclosures.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No material changes from year end disclosures.

NOTES TO FINANCIAL STATEMENTS

18. Gain of Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

No material changes from year end disclosures

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No material changes from year end disclosures.

20. Fair Value Measurements

The Company’s financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 157, *Fair Value Measurements and Disclosures*). The hierarchy gives the highest ranking to fair values determined using unadjusted quoting prices in active markets for identical assets and liabilities (Level 1) and the lower ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

The following table summarizes the valuation of the Company’s financial instruments by the above pricing categories:

	Quoted Prices In Active Markets (Level 1)		Prices With Other Observable Inputs (Level 2)		Prices With Unobservable Inputs (Level 3)	
	Total					
(In Thousands)						
June 30, 2010						
Common stock	\$ 51,327	\$ 51,327	\$ -	\$ -		
	\$ 51,327	\$ 51,327	\$ -	\$ -		
December 31, 2010						
Common stock	\$ 51,296	\$ 51,296	\$ -	\$ -		
	\$ 51,296	\$ 51,296	\$ -	\$ -		

21. Other Items

No material changes from year end disclosures.

22. Events Subsequent

No material changes from year end disclosures.

23. Reinsurance

No material changes from year end disclosures.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No material changes from year end disclosures

25. Change in Incurred Claims and Claim Adjustment Expenses

Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claim estimates and release of any margin associated with these estimates. Reserve

NOTES TO FINANCIAL STATEMENTS

adjustments were unfavorable by \$1.6 million year-to-date, increasing the prior year-end claim reserve estimates of \$128.6 million to \$130.2 million.

26. Intercompany Pooling Arrangements

No material changes from year end disclosures.

27. Structured Settlements

No material changes from year end disclosures.

28. Health Care Receivables

No material changes from year end disclosures.

29. Participating Policies

No material changes from year end disclosures.

30. Premium Deficiency Reserves

No material changes from year end disclosures.

31. Anticipated Salvage and Subrogation

No material changes from year end disclosures.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2009
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/29/2011
- 6.4

By what department or departments?
State of Michigan Office of Financial and Insurance Regulation.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?.....

Yes ☐ No ☐ NA ☒
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$127,820

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒
- 11.2

If yes, give full and complete information relating thereto:

.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13.

Amount of real estate and mortgages held in short-term investments: \$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☒ No ☐
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$0
14.22 Preferred Stock	\$0	\$0
14.23 Common Stock	\$46,388,713	\$48,396,311
14.24 Short-Term Investments	\$0	\$0
14.25 Mortgage Loans on Real Estate	\$0	\$0
14.26 All Other	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$46,388,713	\$48,396,311
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$0	\$0
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank.....	Grand Rapids, Michigan.....
Huntington National Bank.....	Grand Rapids, Michigan.....
Mellon Trust.....	Pittsburgh, Pennsylvania.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
n/a.....	Prime Advisors, Inc.....	Bloomfield, Connecticut.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH

1.

1

Amount

1. Operating Percentages:

1.1 A&H loss percent

90.4 %

1.2 A&H cost containment percent

1.0 %

1.3 A&H expense percent excluding cost containment expenses

7.0 %

2.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

2.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$

2.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

2.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$

SCHEDULE S - CEDED REINSURANCE

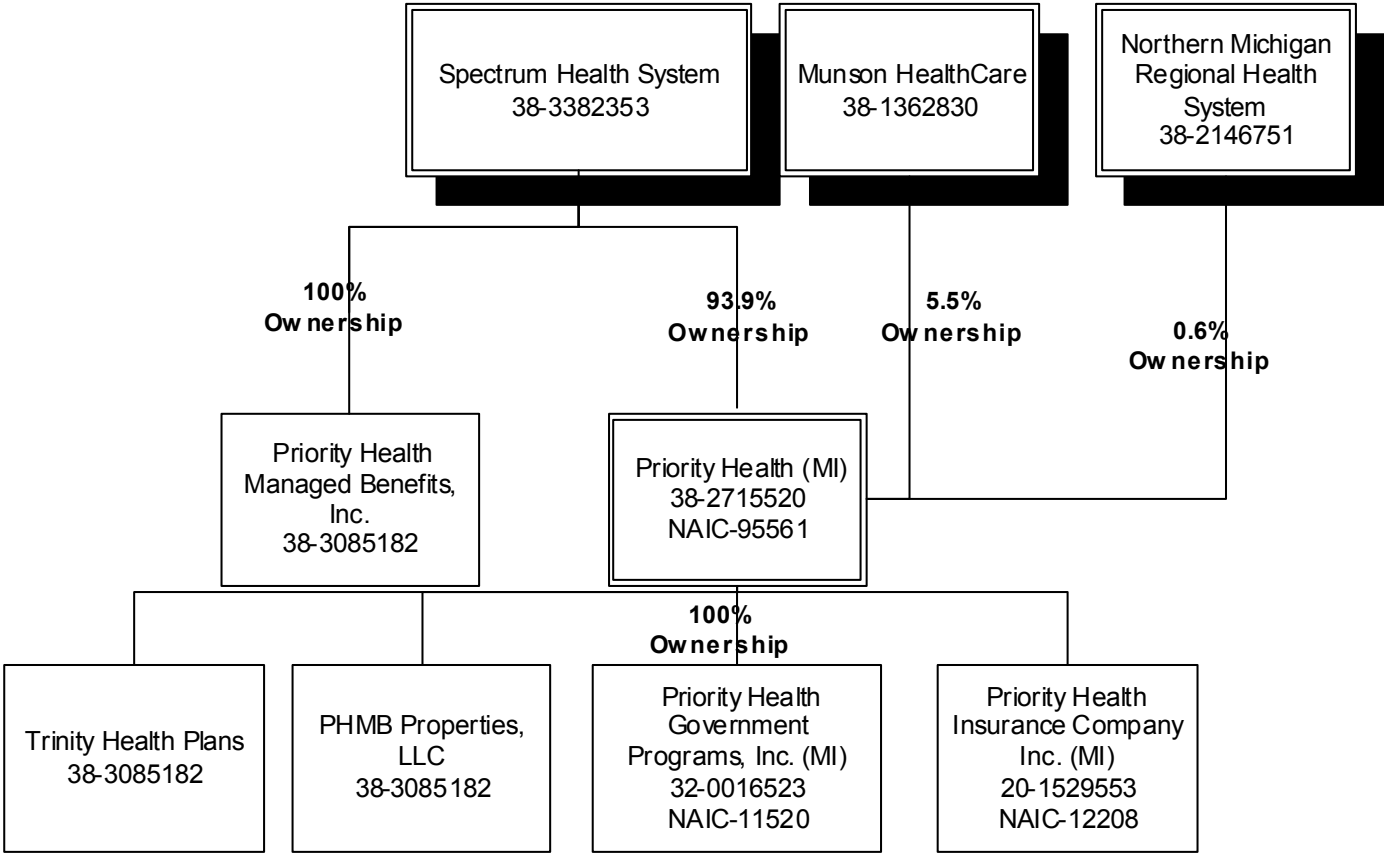
[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories										
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N						0	
2.	Alaska	AK	N						0	
3.	Arizona	AZ	N						0	
4.	Arkansas	AR	N						0	
5.	California	CA	N						0	
6.	Colorado	CO	N						0	
7.	Connecticut	CT	N						0	
8.	Delaware	DE	N						0	
9.	Dist. Columbia	DC	N						0	
10.	Florida	FL	N						0	
11.	Georgia	GA	N						0	
12.	Hawaii	HI	N						0	
13.	Idaho	ID	N						0	
14.	Illinois	IL	N						0	
15.	Indiana	IN	N						0	
16.	Iowa	IA	N						0	
17.	Kansas	KS	N						0	
18.	Kentucky	KY	N						0	
19.	Louisiana	LA	N						0	
20.	Maine	ME	N						0	
21.	Maryland	MD	N						0	
22.	Massachusetts	MA	N						0	
23.	Michigan	MI	L	680,519,979	246,890,768				927,410,747	
24.	Minnesota	MN	N						0	
25.	Mississippi	MS	N						0	
26.	Missouri	MO	N						0	
27.	Montana	MT	N						0	
28.	Nebraska	NE	N						0	
29.	Nevada	NV	N						0	
30.	New Hampshire	NH	N						0	
31.	New Jersey	NJ	N						0	
32.	New Mexico	NM	N						0	
33.	New York	NY	N						0	
34.	North Carolina	NC	N						0	
35.	North Dakota	ND	N						0	
36.	Ohio	OH	N						0	
37.	Oklahoma	OK	N						0	
38.	Oregon	OR	N						0	
39.	Pennsylvania	PA	N						0	
40.	Rhode Island	RI	N						0	
41.	South Carolina	SC	N						0	
42.	South Dakota	SD	N						0	
43.	Tennessee	TN	N						0	
44.	Texas	TX	N						0	
45.	Utah	UT	N						0	
46.	Vermont	VT	N						0	
47.	Virginia	VA	N						0	
48.	Washington	WA	N						0	
49.	West Virginia	WV	N						0	
50.	Wisconsin	WI	N						0	
51.	Wyoming	WY	N						0	
52.	American Samoa	AS	N						0	
53.	Guam	GU	N						0	
54.	Puerto Rico	PR	N						0	
55.	U.S. Virgin Islands	VI	N						0	
56.	Northern Mariana Islands	MP	N						0	
57.	Canada	CN	N						0	
58.	Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal	XXX	680,519,979	246,890,768	0	0	0	0	927,410,747	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 1	680,519,979	246,890,768	0	0	0	0	927,410,747	0
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered – Licensed Insurance Carrier or Domiciled RRG; (R) Registered – Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible – Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above – Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.Business not written

Bar Code:

1.



95561201136500002

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,042,708	1,009,909
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	233,727	165,235
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		4,139
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation	70,526	128,297
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	1,205,909	1,042,708
10. Deduct total nonadmitted amounts	1,205,909	1,042,708
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	212,912,429	224,769,060
2. Cost of bonds and stocks acquired	36,117,883	88,095,896
3. Accrual of discount	39,992	162,603
4. Unrealized valuation increase (decrease)	(2,446,605)	(17,110,424)
5. Total gain (loss) on disposals	1,485,098	2,458,230
6. Deduct consideration for bonds and stocks disposed of	31,886,124	84,770,202
7. Deduct amortization of premium	352,638	692,734
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	215,870,035	212,912,429
11. Deduct total nonadmitted amounts	1	1
12. Statement value at end of current period (Line 10 minus Line 11)	215,870,034	212,912,428

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	311,265,500	113,395,767	120,167,152	(285,288)	311,265,500	304,208,828	.0	279,914,576
2. Class 2 (a).....	18,318,917	4,129,885	2,964,824	(1,034,756)	18,318,917	18,449,222	.0	18,867,242
3. Class 3 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
4. Class 4 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
5. Class 5 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	329,584,417	117,525,653	123,131,976	(1,320,044)	329,584,417	322,658,051	0	298,781,818
PREFERRED STOCK								
8. Class 1 .....	.0	.0	.0	.0	.0	.0	.0	.0
9. Class 2 .....	.0	.0	.0	.0	.0	.0	.0	.0
10. Class 3 .....	.0	.0	.0	.0	.0	.0	.0	.0
11. Class 4 .....	.0	.0	.0	.0	.0	.0	.0	.0
12. Class 5 .....	.0	.0	.0	.0	.0	.0	.0	.0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	329,584,417	117,525,653	123,131,976	(1,320,044)	329,584,417	322,658,051	0	298,781,818

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0 ; NAIC 2 \$.....0 ; NAIC 3 \$.....0 ; NAIC 4 \$.....0 ; NAIC 5 \$.....0 ; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short-Term Investments					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	205,541,854	XXX	207,642,990	2,594,276	228,117

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	183,554,162	117,379,051
2. Cost of short-term investments acquired	247,489,732	461,634,465
3. Accrual of discount.....	404	1,880
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....	(145)	9,244
6. Deduct consideration received on disposals.....	223,321,351	391,758,995
7. Deduct amortization of premium.....	2,180,948	3,711,483
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	205,541,854	183,554,162
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	205,541,854	183,554,162

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E Verification

NONE

SCHEDULE A - PART 2

[illegible]

SCHEDULE A - PART 3

[illegible]

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
3138A2-BQ-1.....	FNMA #AH0946.....		..05/19/2011.....	BNP-MTGS.....		1,475,653.....	1,476,114.....	1,968.....	1.....
3138AF-C2-4.....	FNMA #A11888.....		..06/20/2011.....	BNP-MTGS.....		1,298,493.....	1,247,801.....	3,431.....	1.....
3138AH-XV-3.....	FNMA #A14291.....		..05/31/2011.....	JPM-MTGS.....		1,037,774.....	998,760.....	1,498.....	1.....
31416X-J9-2.....	FNMA #AB2087.....		..05/31/2011.....	BNP-MTGS.....		744,648.....	739,220.....	986.....	1.....
3199999 - Total -	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of ...					4,556,568.....	4,461,895.....	7,883.....	XXX.....
00206R-AW-2.....	AT&T INC.....		..04/26/2011.....	BANK OF AMERICA.....		499,090.....	500,000.....	0.....	1FE.....
039483-BB-7.....	ARCHER-DANIELS-MIDLAND.....		..06/29/2011.....	BNYMELLON.....		527,150.....	500,000.....	7,504.....	1FE.....
05531F-AH-6.....	BB&T CORPORATION.....		..04/28/2011.....	BONDSDIRECT.....		501,630.....	500,000.....	142.....	1FE.....
09247X-AH-4.....	BLACKROCK INC.....		..05/19/2011.....	BANK OF AMERICA.....		248,570.....	250,000.....	0.....	1FE.....
172967-EQ-0.....	CITIGROUP INC.....		..04/29/2011.....	SCOTIA.....		536,280.....	500,000.....	1,757.....	1FE.....
200340-AN-7.....	COMERICA INC.....		..06/10/2011.....	UBS/WRBU.....		764,933.....	750,000.....	5,563.....	1FE.....
235851-AH-5.....	DANAHER CORP.....		..06/28/2011.....	BLAIR.....		564,000.....	500,000.....	8,925.....	1FE.....
26442C-AK-0.....	DUKE ENERGY CAROLINAS.....		..06/29/2011.....	DMG.....		504,780.....	500,000.....	2,221.....	1FE.....
26884T-AC-6.....	ERAC USA FINANCE COMPANY.....		..05/18/2011.....	BRCLY/CORP.....		503,335.....	500,000.....	4,125.....	2FE.....
36962G-3U-6.....	GENERAL ELEC CAP CORP.....		..06/15/2011.....	CITIGROUP/ELECTRONIC.....		1,106,440.....	1,000,000.....	7,656.....	1FE.....
74340X-AM-3.....	PROLOGIS LP.....		..06/03/2011.....	EXCHANGE.....		272,030.....	250,000.....	828.....	2FE.....
743410-AT-9.....	PROLOGIS TRUST.....		..04/08/2011.....	WELLSCORP.....		272,383.....	250,000.....	6,809.....	2FE.....
871829-AL-1.....	SYSCO CORP.....		..05/19/2011.....	CANTOR FITZGERALD & CO.....		392,110.....	352,000.....	5,236.....	1FE.....
88732J-AX-6.....	TIME WARNER CABLE INC.....		..06/29/2011.....	MK.....		484,780.....	500,000.....	7,734.....	2FE.....
92343V-AX-2.....	VERIZON COMMUNICATIONS.....		..06/15/2011.....	BONDSDIRECT.....		516,160.....	500,000.....	5,239.....	1FE.....
05607M-AA-5.....	BAA FUNDING LTD.....	F.....	..06/28/2011.....	CITIGROUP/ELECTRONIC.....		995,500.....	1,000,000.....	135.....	1FE.....
3899999 - Total -	Bonds - Industrial, Misc.....					8,689,170.....	8,352,000.....	63,875.....	XXX.....
8399997 - Total -	Bonds - Part 3.....					13,245,738.....	12,813,895.....	71,758.....	XXX.....
8399999 - Total -	Bonds.....					13,245,738.....	12,813,895.....	71,758.....	XXX.....
8999999 - Total -	Preferred Stocks.....					0.....	XXX.....	0.....	XXX.....
233203-58-7.....	DFA EMERGING MKRKS VALUE.....		..06/29/2011.....	MELLON BANK.....	42,297.799.....	1,480,000.....	0.....	0.....	L.....
693390-70-0.....	PIMCO FDS TOTAL RETURN - INST.....		..06/30/2011.....	MELLON BANK.....	9,951.500.....	109,737.....	0.....	0.....	L.....
922040-10-0.....	VANGUARD INSTL INDEX FUND.....		..06/29/2011.....	VANGUARD FUNDS.....	760.677.....	90,992.....	0.....	0.....	L.....
922908-44-7.....	VANGUARD MID CAP INDEX-SIGN.....		..06/29/2011.....	EXCHANGE.....	47,466.325.....	1,480,000.....	0.....	0.....	L.....
9299999 - Total -	Common Stocks - Mutual Funds.....					3,160,729.....	XXX.....	0.....	XXX.....
9799997 - Total -	Common Stocks - Part 3.....					3,160,729.....	XXX.....	0.....	XXX.....
9799999 - Total -	Common Stocks.....					3,160,729.....	XXX.....	0.....	XXX.....
9899999 - Total -	Preferred and Common Stocks.....					3,160,729.....	XXX.....	0.....	XXX.....
9999999 Totals						16,406,467.....	XXX.....	71,758.....	XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0 ..

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3133XS-AE-8..	FHLB.....		05/20/2011..	BONDSIRECT		426,560	400,000	391,670	395,191	0	645	0	645	0	395,836	0	30,724	30,724	8,660	10/18/2032..	1..
31359M-H8-9..	FNMA.....		06/10/2011..	WFGLOBAL		748,865	650,000	726,070	708,779	0	(4,718)	0	(4,718)	0	704,060	0	44,805	44,805	24,194	03/15/2016..	1..
36202Y-XU-0..	GNMA #610991		06/01/2011..	MBS PMT		13,702	13,702	13,608	13,695	0	7	0	7	0	13,702	0	0	0	285	06/01/2034..	1..
36291E-RM-5..	GNMA #626092		06/01/2011..	MBS PMT		18,103	18,103	18,411	18,105	0	(2)	0	(2)	0	18,103	0	0	0	415	03/01/2034..	1..
36291S-PT-1..	GNMA #636834		06/01/2011..	MBS PMT		802	802	819	803	0	(1)	0	(1)	0	802	0	0	0	18	11/01/2034..	1..
36295N-ND-5..	GNMA #675488		06/01/2011..	MBS PMT		35,813	35,813	35,718	35,807	0	6	0	6	0	35,813	0	0	0	849	06/01/2038..	1..
36295Q-LK-4..	GNMA #677230		06/01/2011..	MBS PMT		11,982	11,982	12,183	12,003	0	(21)	0	(21)	0	11,982	0	0	0	299	08/01/2038..	1..
36295S-C8-7..	GNMA #678795		06/01/2011..	MBS PMT		22,977	22,977	23,369	23,045	0	(67)	0	(67)	0	22,977	0	0	0	528	12/01/2037..	1..
36296K-MW-9..	GNMA #693473		06/01/2011..	MBS PMT		5,480	5,480	5,511	5,482	0	(2)	0	(2)	0	5,480	0	0	0	113	06/01/2038..	1..
36296U-HC-7..	GNMA #701427		06/01/2011..	MBS PMT		11,060	11,060	10,929	11,048	0	12	0	12	0	11,060	0	0	0	222	11/01/2038..	1..
912828-EN-6..	US TREASURY N/B		06/30/2011..	RBS/GREE		1,415,279	1,250,000	1,433,892	1,385,808	0	(13,175)	0	(13,175)	0	1,372,632	0	42,647	42,647	35,156	11/15/2015..	1..
0599999 - Bonds - U.S. Governments						2,710,624	2,419,920	2,672,177	2,609,765	0	(17,316)	0	(17,316)	0	2,592,448	0	118,176	118,176	70,739	XXX	XXX
31283H-S9-7..	FHLMC G01444		06/01/2011..	MBS PMT		4,549	4,549	4,738	4,565	0	(18)	0	(18)	0	4,549	0	0	0	122	08/01/2032..	1..
31283K-4D-7..	FHLMC G11720		06/01/2011..	MBS PMT		51,354	51,354	53,248	51,619	0	(265)	0	(265)	0	51,354	0	0	0	955	08/01/2020..	1..
31287X-Z8-2..	FHLMC C70767		06/01/2011..	MBS PMT		1,471	1,471	1,523	1,472	0	(1)	0	(1)	0	1,471	0	0	0	37	09/01/2032..	1..
3128JN-ZC-0..	FHLMC 1B2670		05/01/2011..	MBS PMT		6,890	6,890	6,924	6,892	0	(2)	0	(2)	0	6,890	0	0	0	72	12/01/2034..	1..
3128K6-SB-2..	FHLMC A46242		06/01/2011..	MBS PMT		14,444	14,444	13,887	14,385	0	59	0	59	0	14,444	0	0	0	312	07/01/2035..	1..
3128M1-C7-2..	FHLMC G11994		06/01/2011..	MBS PMT		11,668	11,668	11,594	11,659	0	9	0	9	0	11,668	0	0	0	262	05/01/2021..	1..
3128M1-KY-4..	FHLMC G12211		06/01/2011..	MBS PMT		12,296	12,296	12,002	12,261	0	34	0	34	0	12,296	0	0	0	255	06/01/2021..	1..
3128M1-NX-3..	FHLMC G12306		06/01/2011..	MBS PMT		8,198	8,198	8,276	8,203	0	(6)	0	(6)	0	8,198	0	0	0	209	07/01/2021..	1..
3128MA-K6-9..	FHLMC G02717		06/01/2011..	MBS PMT		19,111	19,111	18,884	19,086	0	24	0	24	0	19,111	0	0	0	431	02/01/2037..	1..
3128MJ-BP-4..	FHLMC G08045		06/01/2011..	MBS PMT		8,180	8,180	8,129	8,175	0	4	0	4	0	8,180	0	0	0	169	03/01/2035..	1..
3128MJ-BQ-2..	FHLMC G08046		06/01/2011..	MBS PMT		25,448	25,448	25,830	25,475	0	(27)	0	(27)	0	25,448	0	0	0	575	03/01/2035..	1..
3128MJ-CJ-7..	FHLMC G08072		06/01/2011..	MBS PMT		12,214	12,214	11,903	12,189	0	25	0	25	0	12,214	0	0	0	249	08/01/2035..	1..
3128MJ-F4-7..	FHLMC G08186		06/01/2011..	MBS PMT		35,282	35,282	34,940	35,255	0	26	0	26	0	35,282	0	0	0	789	03/01/2037..	1..
3128MJ-LL-2..	FHLMC G08330		06/01/2011..	MBS PMT		9,070	9,070	9,172	9,078	0	(8)	0	(8)	0	9,070	0	0	0	171	01/01/2039..	1..
3128MN-CQ-4..	FHLMC G18078		06/01/2011..	MBS PMT		10,200	10,200	10,023	10,179	0	21	0	21	0	10,200	0	0	0	208	10/01/2020..	1..
3128MN-D6-5..	FHLMC G18102		06/01/2011..	MBS PMT		11,680	11,680	11,851	11,695	0	(15)	0	(15)	0	11,680	0	0	0	287	02/01/2021..	1..
31292H-R7-1..	FHLMC C01410		06/01/2011..	MBS PMT		2,109	2,109	2,175	2,113	0	(4)	0	(4)	0	2,109	0	0	0	54	10/01/2032..	1..
31292H-RZ-9..	FHLMC C01404		06/01/2011..	MBS PMT		930	930	965	930	0	(1)	0	(1)	0	930	0	0	0	23	10/01/2032..	1..
31292J-BQ-2..	FHLMC C01847		06/01/2011..	MBS PMT		10,960	10,960	10,823	10,949	0	11	0	11	0	10,960	0	0	0	248	06/01/2034..	1..
31292J-BR-0..	FHLMC C01848		06/01/2011..	MBS PMT		14,592	14,592	14,950	14,614	0	(22)	0	(22)	0	14,592	0	0	0	347	06/01/2034..	1..
312941-3N-5..	FHLMC A93505		06/01/2011..	MBS PMT		13,335	13,335	13,649	0	0	(19)	0	(19)	0	13,335	0	0	0	206	08/01/2040..	1..
31294K-VC-3..	FHLMC E01607		06/01/2011..	MBS PMT		13,270	13,270	13,436	13,287	0	(17)	0	(17)	0	13,270	0	0	0	276	04/01/2019..	1..
312965-TD-8..	FHLMC B13248		06/01/2011..	MBS PMT		17,905	17,905	18,221	17,937	0	(32)	0	(32)	0	17,905	0	0	0	371	04/01/2019..	1..
312969-ZB-8..	FHLMC B17190		06/01/2011..	MBS PMT		23,458	23,458	23,429	23,457	0	1	0	1	0	23,458	0	0	0	440	11/01/2019..	1..
312969-FY-9..	FHLMC B16483		06/01/2011..	MBS PMT		7,764	7,764	7,947	7,776	0	(12)	0	(12)	0	7,764	0	0	0	178	09/01/2019..	1..
31297C-KU-3..	FHLMC A24807		06/01/2011..	MBS PMT		5,210	5,210	5,141	5,206	0	4	0	4	0	5,210	0	0	0	111	07/01/2034..	1..
31297C-ZQ-6..	FHLMC A25251		06/01/2011..	MBS PMT		15,378	15,378	15,899	15,382	0	(4)	0	(4)	0	15,378	0	0	0	450	08/01/2034..	1..
31297E-UN-4..	FHLMC A26689		06/01/2011..	MBS PMT		30,013	30,013	30,360	30,021	0	(8)	0	(8)	0	30,013	0	0	0	647	09/01/2034..	1..
31297G-FG-1..	FHLMC A28267		06/01/2011..	MBS PMT		42,664	42,664	43,371	42,686	0	(22)	0	(22)	0	42,664	0	0	0	908	11/01/2034..	1..
31297M-OE-1..	FHLMC A32253		06/01/2011..	MBS PMT		2,238	2,238	2,188	2,238	0	0	0	0	0	2,238	0	0	0	47	04/01/2035..	1..
31297N-TA-4..	FHLMC A33245		06/01/2011..	MBS PMT		12,453	12,453	12,069	12,390	0	63	0	63	0	12,453	0	0	0	216	02/01/2035..	1..
31335H-4P-5..	FHLMC C90830		06/01/2011..	MBS PMT		12,558	12,558	12,375	12,537	0	20	0	20	0	12,558	0	0	0	236	05/01/2024..	1..
31335H-SF-6..	FHLMC C90846		06/01/2011..	MBS PMT		14,403	14,403	14,727	14,439	0	(36)	0	(36)	0	14,403	0	0	0	328	08/01/2024..	1..
3133XE-SQ-7..	FHLMC 0606 Y		06/28/2011..	MBS PMT		16,101	16,101	17,108	16,273	0	(172)	0	(172)	0	16,101	0	0	0	350	12/28/2012..	1..
31371H-D9-6..	FNMA #252228		06/01/2011..	MBS PMT		94	94	99	95	0	0	0	0	0	94	0	0	0	3	12/01/2028..	1..
31371K-T6-8..	FNMA #254473		06/01/2011..	MBS PMT		3,509	3,509	3,633	3,520	0	(11)	0	(11)	0	3,509	0	0	0	81	10/01/2017..	1..
31371K-UC-3..	FNMA #254479		06/01/2011..	MBS PMT		2,268	2,268	2,346	2,272	0	(4)	0	(4)	0	2,268	0	0	0	61	10/01/2032..	1..
31371K-WK-3..	FNMA #254550		06/01/2011..	MBS PMT		2,896	2,896	2,997	2,902	0	(6)	0	(6)	0	2,896	0	0	0	78	12/01/2032..	1..
31371L-F2-0..	FNMA #254985		06/01/2011..	MBS PMT		11,596	11,596	11,683	11,606	0	(9)	0	(9)	0	11,596	0	0	0	237	11/01/2023..	1..
31371L-K2-4..	FNMA #255113		06/01/2011..	MBS PMT		18,810	18,810	18,872	18,815	0	(5)	0	(5)	0	18,810	0	0	0	383	02/01/2024..	1..
31371L-SJ-9..	FNMA #255321		06/01/2011..	MBS PMT		12,996	12,996	13,323	13,021	0	(25)	0	(25)	0	12,996	0	0	0	287	07/01/2024..	1..
31371L-Z2-8..	FNMA #255561		06/01/2011..	MBS PMT		16,603	16,603	16,858	16,627	0	(24)	0	(24)	0	16,603	0	0	0	388	12/01/2024..	1..
31371M-GF-8..	FNMA #255898		06/01/2011..	MBS PMT		24,058	24,058	22,960	23,962	0	96	0	96	0	24,058	0	0	0	488	10/01/2035..	1..
31371M-MG-9..	FNMA #256059		06/01/2011..	MBS PMT		12,876	12,876	12,816	12,870	0	6	0	6	0	12,876	0	0	0	287	01/01/2036..	1..
31371N-CJ-2..	FNMA #256673		06/01/2011..	MBS PMT		37,155	37,155	35,518	37,007	0	148	0	148	0	37,155	0	0	0	855	04/01/2037..	1..
31371N-DR-3..	FNMA #256712		06/																		

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31385X-NR-4..	FNMA #555800.....		06/01/2011..	MBS PMT.....		17,996	17,996	18,158	18,010	0	(14)	0	(14)	0	17,996	0	0	0	404	10/01/2033..	1..
31388K-GA-4..	FNMA #606893.....		06/01/2011..	MBS PMT.....		134	134	138	134	0	0	0	0	0	134	0	0	0	4	10/01/2031..	1..
31388L-C8-1..	FNMA #607695.....		06/01/2011..	MBS PMT.....		2,107	2,107	2,178	2,114	0	(7)	0	(7)	0	2,107	0	0	0	51	11/01/2031..	1..
31388R-GT-8..	FNMA #612310.....		06/01/2011..	MBS PMT.....		1,062	1,062	1,097	1,065	0	(3)	0	(3)	0	1,062	0	0	0	27	09/01/2016..	1..
31389U-TR-0..	FNMA #636060.....		06/01/2011..	MBS PMT.....		75	75	78	75	0	0	0	0	0	75	0	0	0	2	04/01/2032..	1..
3138A5-FX-5..	FNMA #AH3781.....		06/01/2011..	MBS PMT.....		8,451	8,451	8,232	8,451	0	5	0	5	0	8,451	0	0	0	91	02/01/2041..	1..
31391D-DD-2..	FNMA #663500.....		06/01/2011..	MBS PMT.....		2,157	2,157	2,184	2,157	0	0	0	0	0	2,157	0	0	0	50	10/01/2032..	1..
31391J-JW-3..	FNMA #668168.....		06/01/2011..	MBS PMT.....		211	211	217	211	0	0	0	0	0	211	0	0	0	5	11/01/2032..	1..
313910-S8-8..	FNMA #673843.....		06/01/2011..	MBS PMT.....		2,595	2,595	2,644	2,597	0	(2)	0	(2)	0	2,595	0	0	0	60	10/01/2017..	1..
313930-N3-2..	FHLMC 2614 KB.....		06/01/2011..	MBS PMT.....		67,123	67,123	69,641	68,033	0	(909)	0	(909)	0	67,123	0	0	0	1,177	09/01/2012..	1..
31393W-V9-7..	FHLMC 2641 KJ.....		06/01/2011..	MBS PMT.....		27,439	27,439	28,279	27,589	0	(150)	0	(150)	0	27,439	0	0	0	451	11/01/2014..	1..
31395G-ZT-2..	FHLMC 2874 BA.....		06/01/2011..	MBS PMT.....		60,176	60,176	61,746	60,531	0	(355)	0	(355)	0	60,176	0	0	0	995	07/01/2013..	1..
31397N-E5-0..	FNMA 2009-31 A.....		06/01/2011..	MBS PMT.....		42,795	42,795	44,132	42,992	0	(197)	0	(197)	0	42,795	0	0	0	719	02/01/2018..	1..
31398E-AB-0..	FHLMC 3544 KA.....		06/01/2011..	MBS PMT.....		56,245	56,245	57,844	56,458	0	(213)	0	(213)	0	56,245	0	0	0	1,036	06/01/2017..	1..
31400C-6F-6..	FNMA #684070.....		06/01/2011..	MBS PMT.....		3,889	3,889	3,982	3,896	0	(7)	0	(7)	0	3,889	0	0	0	81	05/01/2018..	1..
31400W-T7-5..	FNMA #699974.....		06/01/2011..	MBS PMT.....		4,550	4,550	4,660	4,557	0	(8)	0	(8)	0	4,550	0	0	0	97	04/01/2033..	1..
31401B-VB-8..	FNMA #703610.....		06/01/2011..	MBS PMT.....		4,820	4,820	4,944	4,833	0	(13)	0	(13)	0	4,820	0	0	0	96	06/01/2018..	1..
31401W-V9-7..	FNMA #720740.....		06/01/2011..	MBS PMT.....		4,705	4,705	4,816	4,711	0	(6)	0	(6)	0	4,705	0	0	0	102	07/01/2033..	1..
31402Q-CF-6..	FNMA #734570.....		06/01/2011..	MBS PMT.....		720	720	714	718	0	2	0	2	0	720	0	0	0	16	08/01/2033..	1..
31402W-LY-2..	FNMA #740243.....		06/01/2011..	MBS PMT.....		36,526	36,526	37,051	36,626	0	(99)	0	(99)	0	36,526	0	0	0	892	10/01/2033..	1..
31403D-T8-2..	FNMA #745875.....		06/01/2011..	MBS PMT.....		17,710	17,710	17,867	17,723	0	(13)	0	(13)	0	17,710	0	0	0	471	09/01/2036..	1..
31403U-3H-2..	FNMA #758700.....		06/01/2011..	MBS PMT.....		13,168	13,168	12,872	13,157	0	11	0	11	0	13,168	0	0	0	220	11/01/2019..	1..
31403V-6R-4..	FNMA #759008.....		06/01/2011..	MBS PMT.....		23,172	23,172	22,998	23,159	0	13	0	13	0	23,172	0	0	0	482	01/01/2034..	1..
31404D-Q6-6..	FNMA #765555.....		06/01/2011..	MBS PMT.....		1,379	1,379	1,358	1,379	0	0	0	0	0	1,379	0	0	0	28	12/01/2033..	1..
31404J-QD-0..	FNMA #770052.....		06/01/2011..	MBS PMT.....		8,218	8,218	8,295	8,226	0	(8)	0	(8)	0	8,218	0	0	0	160	03/01/2019..	1..
31404K-TB-8..	FNMA #771046.....		06/01/2011..	MBS PMT.....		10,355	10,355	10,321	10,354	0	1	0	1	0	10,355	0	0	0	195	04/01/2019..	1..
31405B-A6-8..	FNMA #784029.....		06/01/2011..	MBS PMT.....		17,791	17,791	17,732	17,786	0	5	0	5	0	17,791	0	0	0	333	06/01/2019..	1..
31405C-UT-4..	FNMA #785494.....		06/01/2011..	MBS PMT.....		21,726	21,726	21,563	21,717	0	9	0	9	0	21,726	0	0	0	408	06/01/2034..	1..
31405F-3V-2..	FNMA #788412.....		06/01/2011..	MBS PMT.....		3,875	3,875	3,822	3,873	0	2	0	2	0	3,875	0	0	0	73	07/01/2019..	1..
31405H-5G-9..	FNMA #790247.....		06/01/2011..	MBS PMT.....		708	708	692	708	0	3	0	3	0	708	0	0	0	15	08/01/2034..	1..
31405W-MA-2..	FNMA #793353.....		06/01/2011..	MBS PMT.....		25,174	25,174	25,929	25,223	0	(49)	0	(49)	0	25,174	0	0	0	623	08/01/2034..	1..
31405N-S8-9..	FNMA #794443.....		06/01/2011..	MBS PMT.....		20,713	20,713	20,956	20,729	0	(15)	0	(15)	0	20,713	0	0	0	411	10/01/2034..	1..
31405P-QQ-6..	FNMA #795263.....		06/01/2011..	MBS PMT.....		10,509	10,509	10,700	10,525	0	(16)	0	(16)	0	10,509	0	0	0	215	09/01/2019..	1..
31406B-EU-0..	FNMA #804847.....		06/01/2011..	MBS PMT.....		12,834	12,834	12,377	12,801	0	32	0	32	0	12,834	0	0	0	263	01/01/2035..	1..
31406F-TS-0..	FNMA #808861.....		06/01/2011..	MBS PMT.....		18,674	18,674	18,965	18,696	0	(22)	0	(22)	0	18,674	0	0	0	445	01/01/2035..	1..
31406K-E9-7..	FNMA #812060.....		06/01/2011..	MBS PMT.....		1,681	1,681	1,674	1,681	0	0	0	0	0	1,681	0	0	0	35	03/01/2035..	1..
31406T-JR-3..	FNMA #819372.....		06/01/2011..	MBS PMT.....		16,375	16,375	16,290	16,364	0	11	0	11	0	16,375	0	0	0	295	03/01/2020..	1..
31407B-U6-4..	FNMA #826005.....		06/01/2011..	MBS PMT.....		9,520	9,520	9,191	9,486	0	34	0	34	0	9,520	0	0	0	182	07/01/2035..	1..
31407Y-R6-8..	FNMA #844809.....		06/01/2011..	MBS PMT.....		18,949	18,949	18,452	18,884	0	65	0	65	0	18,949	0	0	0	386	11/01/2035..	1..
31408A-EN-6..	FNMA #845341.....		06/01/2011..	MBS PMT.....		22,474	22,474	22,376	22,465	0	9	0	9	0	22,474	0	0	0	516	01/01/2036..	1..
31408B-2X-5..	FNMA #846890.....		06/01/2011..	MBS PMT.....		12,493	12,493	12,332	12,481	0	12	0	12	0	12,493	0	0	0	252	12/01/2035..	1..
31408D-UQ-5..	FNMA #848491.....		06/01/2011..	MBS PMT.....		23,413	23,413	22,959	23,378	0	35	0	35	0	23,413	0	0	0	516	12/01/2035..	1..
31409E-LS-8..	FNMA #868937.....		06/01/2011..	MBS PMT.....		5,324	5,324	5,389	5,329	0	(5)	0	(5)	0	5,324	0	0	0	140	05/01/2036..	1..
31410K-JY-1..	FNMA #889579.....		06/01/2011..	MBS PMT.....		31,638	31,638	32,261	31,696	0	(58)	0	(58)	0	31,638	0	0	0	779	05/01/2038..	1..
31410U-SZ-6..	FNMA #897936.....		06/01/2011..	MBS PMT.....		22,373	22,373	22,429	22,377	0	(5)	0	(5)	0	22,373	0	0	0	483	08/01/2021..	1..
31410V-DU-1..	FNMA #898415.....		06/01/2011..	MBS PMT.....		21,468	21,468	21,646	21,495	0	(26)	0	(26)	0	21,468	0	0	0	531	10/01/2036..	1..
31411E-ZB-6..	FNMA #906238.....		06/01/2011..	MBS PMT.....		52,186	52,186	50,547	52,009	0	177	0	177	0	52,186	0	0	0	1,059	01/01/2037..	1..
31413D-S4-0..	FNMA #942539.....		06/01/2011..	MBS PMT.....		18,229	18,229	18,010	18,205	0	24	0	24	0	18,229	0	0	0	458	08/01/2037..	1..
31413S-CV-4..	FNMA #953784.....		06/01/2011..	MBS PMT.....		56,908	56,908	57,228	56,926	0	(19)	0	(19)	0	56,908	0	0	0	1,485	11/01/2037..	1..
31413S-HB-3..	FNMA #953926.....		06/01/2011..	MBS PMT.....		15,146	15,146	15,335	15,159	0	(13)	0	(13)	0	15,146	0	0	0	333	12/01/2037..	1..
31414S-YU-1..	FNMA #975123.....		06/01/2011..	MBS PMT.....		42,046	42,046	41,823	42,020	0	26	0	26	0	42,046	0	0	0	328	05/01/2038..	1..
31417Y-AL-1..	FNMA #MA0010.....		06/01/2011..	MBS PMT.....		35,330	35,330	36,550	35,502	0	(171)	0	(171)	0	35,330	0	0	0	650	03/01/2019..	1..
31417Y-CG-0..	FNMA #MA0070.....		06/01/2011..	MBS PMT.....		28,765	28,765	29,794	28,898	0	(133)	0	(133)	0	28,765	0	0	0	470	05/01/2019..	1..
31417Y-SC-2..	FNMA #MA0514.....		06/01/2011..	MBS PMT.....		8,205	8,205	8,488	8,221	0	(16)	0	(16)	0	8,205	0	0	0	142	09/01/2040..	1..
31417Y-TE-7..	FNMA #MA0548.....		06/01/2011..	MBS PMT.....		88,959	88,959	93,170	89,418	0	(459)	0	(459)	0	88,959	0	0	0	1,337	10/01/2020..	1..
31418R-GS-4..	FNMA #AD3808.....		06/01/2011..	MBS PMT.....		15,351	15,351	15,665	15,374	0	(23)	0	(23)	0	15,351	0	0	0	285	04/01/2040..	1..
31418U-CG-7..	FNMA #AD6370.....		06/01/2011..	MBS PMT.....		28,499	28,499	28,739	28,499	0	(10)	0	(10)	0	28,499	0	0	0	321	05/01/2040..	1..
3141																					

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Design- ation or Market Indicator (a)
244217-BK-0..	JOHN DEERE CAPITAL CORP.		04/29/2011..	CITIGROUP/ELECTRONIC		535,930	500,000	494,495	498,006	0	321	0	321	0	498,326	0	37,604	37,604	20,471	01/15/2013..	1FE
26884T-AB-8..	ERAC USA FINANCE COMPANY		05/18/2011..	BRCLY/CORP		511,020	500,000	509,900	0	0	(653)	0	(653)	0	509,247	0	1,773	1,773	5,424	07/01/2013..	2FE
36828Q-DW-5..	GECMC 2004-C1 A2..		06/01/2011..	MBS PMT		20,554	20,554	20,110	20,554	0	0	0	0	0	20,554	0	0	0	300	08/01/2011..	12*
36955Q-AN-8..	GENERAL DYNAMICS CORP.		04/28/2011..	BONDS/DIRECT		553,870	500,000	497,640	498,540	0	149	0	149	0	498,689	0	55,181	55,181	19,833	02/01/2014..	1FE
36962G-4X-9..	GENERAL ELEC CAP CORP.		06/15/2011..	WALL STREET ACCESS		1,015,940	1,000,000	1,000,073	0	0	(11)	0	(11)	0	1,000,062	0	15,878	15,878	9,508	01/07/2014..	1FE
38141G-EA-8..	GOLDMAN SACHS GROUP INC.		05/27/2011..	BONDS/DIRECT		1,080,540	1,000,000	1,001,834	1,000,911	0	(87)	0	(87)	0	1,000,825	0	79,715	79,715	45,128	01/15/2015..	1FE
46625W-WW-5..	JPMCC 2003-CB6 A1..		06/01/2011..	MBS PMT		58,507	58,507	59,010	58,537	0	(30)	0	(30)	0	58,507	0	0	0	950	12/01/2012..	12*
46625Y-DB-6..	JPMCC 2004-CB3 A3..		06/01/2011..	MBS PMT		27,150	27,150	26,751	27,150	0	0	0	0	0	27,150	0	0	0	499	08/01/2011..	12*
58013W-EB-6..	MCDONALD'S CORP.		05/20/2011..	BNYMELLON		326,489	278,000	304,452	300,522	0	(1,141)	0	(1,141)	0	299,381	0	27,108	27,108	9,809	10/15/2017..	1FE
58405U-AG-7..	MEDCO HEALTH SOLUTIONS		06/30/2011..	US BANK		965,250	1,000,000	993,525	993,535	0	311	0	311	0	993,847	0	(28,597)	(28,597)	33,917	09/15/2020..	2FE
74341Q-AT-9..	PROLOGIS TRUST		06/03/2011..	EXCHANGE		272,655	250,000	272,383	0	0	(353)	0	(353)	0	272,030	0	625	625	9,109	05/15/2018..	2FE
3899999 - Bonds - Industrial and Miscellaneous						7,147,072	6,891,384	6,966,641	5,154,579	0	(3,380)	0	(3,380)	0	6,933,554	0	213,518	213,518	196,084	XXX	XXX
8399997 - Bonds - Part 4						11,931,817	11,385,424	11,738,532	9,771,585	0	(26,901)	0	(26,901)	0	11,600,123	0	331,694	331,694	309,383	XXX	XXX
8399999 - Total - Bonds						11,931,817	11,385,424	11,738,532	9,771,585	0	(26,901)	0	(26,901)	0	11,600,123	0	331,694	331,694	309,383	XXX	XXX
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
693390-70-0..	PIMCO FDS TOTAL RETURN - INST		06/29/2011..	MELLON BANK	127,504,554	1,400,000		1,351,548	1,383,424	(31,876)	0	0	(31,876)	0	1,351,548	0	48,452	48,452	0		L
921909-82-6..	VANGUARD DEV MKTS INDEX FUND		06/29/2011..	EXCHANGE	9,661,836	100,000		76,232	96,425	(20,193)	0	0	(20,193)	0	76,232	0	23,768	23,768	0		L
922040-10-0..	VANGUARD INSTL INDEX FUND		06/29/2011..	EXCHANGE	17,388,397	2,080,000		1,798,656	1,999,840	(201,184)	0	0	(201,184)	0	1,798,656	0	281,344	281,344	0		L
922908-87-6..	VANGUARD SMALL CAP INDEX FUND		06/29/2011..	EXCHANGE	57,967,107	2,150,000		1,628,296	2,015,516	(387,220)	0	0	(387,220)	0	1,628,296	0	521,704	521,704	0		L
9299999 - Common Stocks - Mutual Funds						5,730,000	XXX	4,854,732	5,495,205	(640,473)	0	0	(640,473)	0	4,854,732	0	875,268	875,268	0	XXX	XXX
9799997 - Common Stocks - Part 4						5,730,000	XXX	4,854,732	5,495,205	(640,473)	0	0	(640,473)	0	4,854,732	0	875,268	875,268	0	XXX	XXX
9799999 - Total - Common Stocks						5,730,000	XXX	4,854,732	5,495,205	(640,473)	0	0	(640,473)	0	4,854,732	0	875,268	875,268	0	XXX	XXX
9899999 - Total - Preferred and Common Stocks						5,730,000	XXX	4,854,732	5,495,205	(640,473)	0	0	(640,473)	0	4,854,732	0	875,268	875,268	0	XXX	XXX
9999999 Totals						17,661,817	XXX	16,593,264	15,266,791	(640,473)	(26,901)	0	(667,374)	0	16,454,855	0	1,206,962	1,206,962	309,383	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0 .

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF JUNE 30, 2011 OF THE Priority Health

SCHEDULE E - PART 1 - CASH

[illegible]

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0